

CHAPTER 2

MILSTRAP FEATURESA. GENERAL

1. This chapter discusses the relationship of **MILSTRAP** to **MILSTRIP** (reference (h)), the principles and objectives of the system, and the inventory management data codified by this manual around which the system is designed.

2. The subject matter of this chapter is purposely held to broad guidance. Procedures applying to a particular type of transaction or processing action are contained in the procedural chapters of this manual.

B. RELATIONSHIP OF MILSTRAP TO MILSTRIP

1. **MILSTRIP** standardized transaction formats and coding are utilized for the basic function of requisitioning and preparing related documents. Among elements of supply distribution systems, uniform communicating procedures were provided only to the extent necessary for determining supply action on a requisition and for preparing the shipping document. While **MILSTRIP** did not extend its uniform procedures beyond the requisitioning process, it recognized the fundamental need within any supply distribution system for communicating data pertinent to the inventory accounting and **reporting** process. Consequently, its design took into account the eventual development of a complementary system standardizing transaction formats and coding for receipts, issues, adjustments, and allied management actions.

2. In structural design, **MILSTRAP** follows the precepts of **MILSTRIP**; it makes use of many codes and techniques originating in **MILSTRIP**; it identifies products of the inventory accounting and reporting function in the pattern of **MILSTRIP**. In brief, **MILSTRAP** is an adaption of the **MILSTRIP** method to the processing of receipt, issue, and adjustment transactions and related management actions.

C. PRINCIPLES AND OBJECTIVES OF THE SYSTEM

1. **MILSTRAP** holds to the principle that the structure of the system provides essential information to **ICPS** for the exercise of supply and financial management without encumbering the system with details peculiar to differing types of materiel. A standard system of this design then imparts uniformity without impairing the latitude of an **ICP** in the selection of internal management techniques appropriate to the items of supply it controls.

2. **MILSTRAP** establishes standard codes, forms, formats, and procedures for the inventory accounting and reporting process which

is mandatory for *use* by Services/Agencies. These procedures are designed to provide:

- a. A standardized coding structure for inventory transactions and related management actions which conveys the information required for effective management of inventories.
- b. Uniformity in the interchange of inventory accounting information within and between the Military Services.
- c. An integrated system of item and financial accounting which permits the accumulation of financial data for financial reporting as an adjunct of updating the inventory record.
- d. An individual transaction reporting capability which accommodates any combination or variation of existing methods for centralized, decentralized, or regional processing of requisitions.

3. **MILSTRAP** does not purport to accommodate every transaction relevant to an inventory control system nor does it embody all data elements integral to existing systems. Rather, **MILSTRAP** isolates and concentrates on transactions which are fundamental to any inventory control system and on related data elements which are interchanged between distribution systems or elements of systems with sufficient frequency to justify standardization and universal recognition.

4. The design of **MILSTRAP** recognizes that applied supply policy may obviate use of a prescribed code or may demand system oriented codes. Accordingly, the procedure **allows** selectivity in "the application of codes and permits **intra-Service** or **intra-Agency** assignment of certain supplemental codes within the basic coding structure. Codes established under this option shall not duplicate or circumvent the intent of codes utilized in the basic uniform system nor shall use of these codes exceed the confines of applicable distribution system(s).

5. Needs for internal Service or Agency data are met by allowing multi-use data **in** certain record positions and fields. Multi-use record positions will be blank in inter-Service supply transactions, unless otherwise stated in this manual. However, internal data may be entered in these fields in **intra-Service** supply transactions. Internal data will be defined by each Service and Agency. Such data will be meaningful only within the distribution system(s) of the Service or Agency. Record positions and fields labeled blank will be left blank. Services and Agencies will not define internal entries in these fields or record positions; they are reserved for future assignments by DoD.

D. 1NVENTOR% SEGMENTATION CODES

1. Information regarding the stock balance of an item **will** be obtained by dividing the inventory of an item into meaningful

categories having distinctive characteristics. This process is called inventory segmentation. The inventory control system designed to account for items of **supply** controlled, managed, or stocked in the distribution system, is based on the concept of inventory segmentation by ownership/purpose, condition, and location. The information thus provided by the coding indicates who owns the assets (ownership), for what purpose the materiel is held within an **ownership** purpose), the condition of the materiel in terms of 'serviceability and readiness for issue (condition), and where the materiel is physically stored (location). These **basic** elements of data are required for management of inventories, for requisition processing, and for distribution management. This information is also required for preparing financial and supply status reports required for management and decision making.

2. The range of the inventory segmentation codes is designed to accommodate the distribution system as a whole. The full range of codes may not have application to the materiel managed by any one **ICP**, but use of the codes having application is mandatory. Codes provided but not required **by** an **ICP** will not be used for another purpose.

a. Ownership/Purpose Codes

(1) Ownership codes segment and identify on the inventory control record maintained by other than the owner, the Military Service or other activity having title to the assets. This is shown by a numeric code assignment (see appendix B4). Purpose codes segment and identify on the inventory control record maintained by the owner, the purpose or reservation for which the materiel is held. This is shown by an alphabetic code assignment prescribed by the individual Service/Agency (see appendix B5).

(2) To preclude unwarranted sophistication in accounting, identifying and reporting of assets, ownership and purpose codes --although separate and distinct elements of data--shall be entered in the accountable inventory control record as a single element of data. Accordingly, when one Service/Agency is accounting for assets owned by another, the entire balance is maintained by the accounting activity under the numeric code assigned to the owning Service/Agency. Further breakout by purpose (alphabetic code) is neither prescribed nor intended.

(3) **In** summary, any numeric entry reflects ownership by another activity and the numeric itself identifies the owner. Conversely, any alphabetic entry reflects ownership by the activity maintaining the inventory control record and the alphabetic code itself identifies the purpose for which the materiel is reserved.

b. Condition Codes. Condition codes segment and identify, on the inventory control record, the physical state of the materiel

or actions underway to change the status of the materiel (see appendix 66).

c. Location Codes

(1) Location codes segment and identify on the inventory control record, the activity where materiel is physically stored or located.

(2) The three-digit **RI** code structure established by **MILSTRIP** (reference (h)) provides a standard system for identifying activities within established supply distribution systems including those that store materiel. To make use of this existing system, location codes used to identify activities storing materiel correspond to the **RI** codes established by **MILSTRIP**.

(3) Location codes need not be entered on the inventory control record in their **RI** code configuration. **If** an alternate means is used to identify the physical storage site for record purposes, the record code will be directly relatable to the **RI** code of the storage activity entered on input and output documentation.

E. INVENTORY TRANSACTION CODING

1. An inventory transaction is a full description of a supply action furnished to or developed by an **ICP** for use in the management of items under its control, from both a financial and supply point of view. **In** turn, inventory transactions, when properly aggregated form the essential information required by an ICP for review and for reporting to higher authority the results of its management effort.

2. Standard Document **DI** codes in the A_ series identify inventory transactions related to the **requisitioning** and issuing process. For identification of inventory transactions pertinent to the inventory accounting and reporting process, standard **DI** codes in the D_ series have been provided. The D_ series **DI** codes are listed in appendix 61.